

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1604-02
Bill No.: HB 677
Subject: Children and Minors; Optometry; Education, Elementary and Secondary
Type: Original
Date: March 8, 2011

Bill Summary: This proposal repeals the sunset of the Children's Vision Examination Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	\$0	(\$99,000)	(\$99,000)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$99,000)	(\$99,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Blindness Education, Screening and Treatment Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Offsetting Transfers In and Disbursements are \$99,000 in FY 2013 and FY 2014

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer, Department of Insurance, Financial Institutions and Professional Registration** and the **Department of Health and Senior Services** state this proposal will have no fiscal impact on their respective agencies.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

According to officials from the **Joint Committee on Administrative Rules (JCAR)**, this proposal should not create any additional fiscal impact above current appropriations to JCAR.

According to officials from the **Department of Elementary and Secondary Education (DESE)**, §167.194 will sunset on June 30, 2012 unless reauthorizes. This proposal appears to remove the sunset provision. DESE assumes costs beginning July 1, 2012

Fall enrollment numbers for 2009-2010 are:

Kindergarten	68,772
1st grade	<u>67,895</u>
TOTAL	136,667

According to personnel at the MO HealthNet Division, the number of MO HealthNet eligible five and six year olds was 64,005 as of January 2011. Therefore, the potential number of children covered under this program decreases to 72,662 ($136,667 - 64,005 = 72,662$).

ASSUMPTION (continued)

In addition, 8.0% of Missourians under age 18 were uninsured during the years 2008 through 2009 (source: Kaiser state health facts.org). Applying this percentage to the potential number of children yields a significant decrease in potential children covered under this program and brings the total to 5,813. (5,813 children x \$70 exam = \$406,910)

This estimate is based on the percentage of children covered by public and private insurance. It should be noted that insurance plans may or may not cover a vision exam for a child who has no signs of vision problems and some policies will not cover vision services. Typically what is covered in "well child" exams is a vision screen or limited vision exam, not the comprehensive vision examination required by this proposal. As a result, the actual cost of this proposal may significantly exceed these estimates.

DESE is to work in conjunction with DOS to compile and maintain a list of sources to which children who may need vision exams or children who have been found to need further exams or correction may be referred for treatment on a free or reduced-cost basis. In addition, DESE must ensure the superintendent of schools, the principle of each elementary school, the school nurse or other person responsible for school health services, and the parent organization for each district elementary school receives an updated copy of the list each year prior to school opening. DESE assumes these requirements will result in administrative costs; however, DESE does not expect them to be significant.

Oversight assumes the initial implementation costs of the program have already occurred and the continuing costs will only be those associated with maintaining the program.

DESE assumes this proposal will result in unknown administrative costs to local school districts for tracking the examinations, corresponding with doctors and parents, and retaining necessary records. DESE cannot determine the fiscal impact, but assume it will be significant.

Oversight assumes, based on responses from school districts, that there is little, if any cost, to their school districts and continued tracking and record keeping can be done with existing resources.

Officials from the **Department of Social Services** state this proposal will have fiscally impact the MO Healthnet Program.

Officials from the **Department of Social Services - Family Support Division** - Rehabilitation Services for the Blind state the annual cap on the Blindness Education Screening and Treatment Program (BEST) for reimbursement of vision examinations is \$99,000 a year.

ASSUMPTION (continued)

Oversight assumes, based on the number of eligible, uninsured children, the funding will be completely utilized.

Officials from the **Parkway School District** and the **Independence School District** state this proposal will have no fiscal impact on their school districts.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost</u> - Department of Social Services - Appropriation for Blindness Education, Screening and Treatment Fund	<u>\$0</u>	<u>(\$99,000)</u>	<u>(\$99,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$99,000)</u>	<u>(\$99,000)</u>
BLINDNESS EDUCATION, SCREENING AND TREATMENT FUND			
<u>Transfer In</u> - Funding for vision examination costs	\$0	\$99,000	\$99,000
<u>Disbursements</u> - Reimbursement of vision examination costs	<u>\$0</u>	<u>(\$99,000)</u>	<u>(\$99,000)</u>
ESTIMATED NET EFFECT ON BLINDNESS EDUCATION, SCREENING AND TREATMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

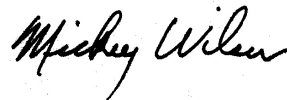
FISCAL DESCRIPTION

This proposal removes the June 30, 2012 expiration date of the provisions requiring every child enrolling in kindergarten or first grade in a public school to receive one comprehensive vision examination.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Social Services
Office of State Treasurer
Office of Secretary of State
 Administrative Rules Committees
Joint Committee on Administrative Rules
School Districts
 Parkway
 Independence



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